

CHAPTER 19

ASSET AND PROPERTY MANAGEMENT

I. INTRODUCTION:

This chapter provides information on how to manage and dispose of CDBG-funded assets and property. Grantees must comply with the federal requirements for the management and disposition of assets and property acquired in whole or part with CDBG funds. The treatment and disposition of property purchased with CDBG funds will depend on its type, either real or personal.

II. GRANTEE RESPONSIBILITIES:

- A. Loan Servicing and Asset Management
- B. Real Property Management
- C. Personal Property Management
- D. Intangible Property Management
- E. Control and Inventory Requirements

A. Loan Servicing and Asset Management:

Loan servicing refers to managing and protecting the loans which Grantees originates using CDBG funds from the state. Loans make up the bulk of the assets that are created using CDBG funds for housing rehabilitation projects, first time home buyer assistance, business assistance activities. Grantees should develop a set of policies and procedures for managing these assets and ensure that, to the greatest degree possible; loans are preserved and repaid so they can be used by the Grantee to pay for meeting other local community development needs under the local program income reuse plan. **See section VI for a sample Loan Servicing Policy document.**

Most loans provided under CDBG programs are secured on real property. As such they must be monitored for compliance with program regulations and terms and conditions. In the case of owner investor loans made under a housing rehabilitation loan program, the investor must annually show that the unit is made available to low income families and that they are affordable to those families. Owner occupant assisted units must be checked to ensure the county property taxes are paid and the property is insured with the Grantee named as additional insured on the policy.

Loan servicing is time consuming at best and at worst can cause expensive legal issues if a borrower is not paying back their loan as needed. It is very common for Grantees to receive requests for loan subordinations and payoffs.

In some cases, grantees may defer loans for a certain period of time then change the term of the loan to amortize the balance. The worst case scenario happens when the borrower goes into a foreclosure process and the Grantee must decide if the loan is worth saving. Because loan servicing activity is so

time consuming and requires a background in real estate, Grantees often hire local consultants to service their loan portfolio, especially if they have a large number of loans. Grantees are lenders and as such are responsible for safe guarding their security interests. Grantees also have a great deal of flexibility in how they deal with borrowers who are in default or non-compliance and can restructure the loan such that it allows the borrower to stay in the property and preserve their interest in the property.

B. Real Property Management:

Real property means land, including improvements to the land, structures, and appurtenances. Real property does not include moveable machinery and equipment. Whenever property is acquired in whole or part with State CDBG funds, the requirements of the State Relocation Assistance Act and Relocation and Real Property Acquisition Guidelines must be followed (see Chapter 6 for information on relocation).

Unless otherwise provided in the grantee's contract (which includes the application), title to real property shall vest in the jurisdiction subject to the condition that the property is used as long as it is needed for the original purpose of the grant. If the grantee determines that the property is no longer needed for its original purpose, the grantee must follow the directions stated in 24 CFR 570.505 of the HUD CDBG Regulations for change of use. (Or if a non-profit is proposing to dispose of real property, it must follow 24 CFR 570.503 (8) of the HUD CDBG regulation.)

Disposition of real property. When the grantee no longer needs the property, the grantee should contact the Department in writing for disposition instructions unless disposition is covered in the state contract. The following options are available for disposition:

1. Retain title after compensating the Department in an amount computed by applying the percentage of participation in the cost of the original activity to the current appraised value of the property. The Department may permit the grantee to retain the compensation as program income and use it for eligible CDBG activities. The Department may permit the grantee to retain program income received from the disposition of real property subsequent to the closeout of the grant that funded its acquisition for reuse in any open CDBG grant program. (See Chapter 14 on program income.)
2. The Department may direct the grantee to sell the property, using procedures provided by the Department. In this case, the grantee must compensate the Department in an amount computed by applying the percentage of its participation in the cost of the original activity to the proceeds from the sale, after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds. When authorized or required to sell the property, follow a competitive process. The Department may authorize the grantee to retain the compensation as

program income to be used for eligible CDBG activities. After closeout of the grant, the program income shall be treated as program income of any open State CDBG grant.

3. The Department may direct the grantee to transfer title of the property to the Department or a third party. In such cases, the grantee shall be entitled to compensation computed by applying the grantee's percentage of non-CDBG participation in the cost of the activity to the current appraised value of the property.

C. Personal Property Management:

Personal property may be expendable or nonexpendable. Personal property may be

tangible, such as desks, chairs, and typewriters, or intangible, such as inventions, patents or copyrights. Following are the requirements for the use and disposition of equipment and supplies.

1. **Equipment.** Equipment is tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The grantee may use its own definition as long as it includes, at minimum, these standards.

Title vests in the grantee as long as the property is used for the authorized purpose of the original grant. Gross income from the use or rental of personal property acquired with CDBG funds by the grantee or by a non-profit under contract to the grantee, less costs incidental to the generation of the income, is program income. All proceeds from the disposition of equipment purchased with CDBG funds are considered program income. All personal property not needed by the grantee for CDBG program activities shall be transferred to the State for use in another local government CDBG program or may be retained by the grantee after compensating the State CDBG program.

Disposition of equipment. When the grantee no longer needs the equipment, contact a State CDBG representative in writing for disposition instructions. The following options are available for disposition:

- a. Retain the equipment after compensating the Department in an amount computed by applying the percentage of its participation in the cost of the original activity to the current appraised value of the property. The grantee may be permitted to retain the compensation as program income to be used for eligible CDBG activities. After grant close-out, the program income shall be treated as program income of any open State awarded CDBG grant, and, as such, shall be used to fund current CDBG activities.
- b. Sell the equipment using procedures provided by the

Department and compensate the Department in an amount computed by applying the percentage of its participation in the cost of the original activity to the proceeds from the sale. When authorized or required to sell the equipment, follow a competitive process. The Department may permit the grantee to retain the compensation as program income to be used for eligible CDBG activities.

- c. Transfer the equipment to the Department. In such cases, the grantee shall be entitled to compensation computed by applying its percentage of non-CDBG participation in the cost of the activity to the current appraised value of the property.

2. **Supplies.** Supplies are defined as all tangible personal property other than what is defined as equipment.

Disposition of supplies. If there is a residual inventory of unused properties exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored program or project, the grantee or its contractor(s) shall compensate the State CDBG account for the grantee's or contractor(s) their proportional share. A description of the supplies and methodology for determining value must be submitted to the State.

D. Intangible Property Management:

1. Inventions and patents. If patentable items, patent rights, processes, or inventions are produced by CDBG activities, the grantee shall notify the Department in writing. Unless there is a prior written agreement between the grantee and the Department regarding the disposition of such items, the Department may determine whether to seek patent protection for the invention or discovery. The Department may also determine how rights to the invention or discovery, including rights under any patent issued, shall be allocated and administered in order to protect the public interest.
2. Copyrights. Except as otherwise provided in the terms and conditions of the grant agreement, the grantee or the author are free to copyright any books, publications, or other materials produced by CDBG activities but the Department reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to reproduce, publish, or otherwise use the materials for State or federal purposes.

E. Control and Inventory Requirements:

State and federal regulations require the grantee to maintain effective control over and accountability for all property that is acquired in whole or in part with CDBG funds. In addition, the grantee must assure that it is used solely for authorized purposes. Following is a discussion of procedures for complying with these provisions.

1. Required recordkeeping and files. The maintenance of a property control register is an integral part of effective control over and accountability for all CDBG acquired property (**See sample in section VI of this chapter.**). A separate register should be maintained for real, personal and intangible properties. When such property is purchased with CDBG funds, enter the applicable data in the register using the steps described for the completion of the property control register. Amend the sample property register to provide additional information as necessary. For example, when CDBG funds are used to acquire real property, the grantee may want to record the previous owner of the parcel of land.

Using a sample property register meets the same objective as using a fixed asset ledger for purposes of complying with the recordkeeping requirements for CDBG-funded programs. All real, non-expendable, and intangible property acquisitions must be entered in their respective registers. A property register is required for long term supplies.

2. Control. All purchased property must be adequately controlled and safeguarded. For example, real property, such as buildings, should be protected by using reasonable security measures. Equipment and supplies should be reasonably protected from possible theft. Intangible property, such as a patent or a copyright, should also be adequately safeguarded.

Supplies should be under the control of an authorized person who is responsible for receiving and issuing such materials. Certain expendable properties (e.g., lumber and other building materials) used on CDBG-funded projects for housing rehabilitation and street improvements should be controlled through a perpetual inventory system that provides:

- a) Records of receipt of goods, issuance of goods and balance of items on hand;
- b) Documentation of the person who authorized the issuance of goods;
- c) Documentation of the location, such as a house or project, where the goods were used; and

- d) The name of the individual who received the goods.

Short-term supplies, such as office supplies, do not need to be controlled through a perpetual inventory system, but must still be adequately safeguarded.

The local CDBG program manager should work out control procedures with the finance director, purchasing agent or person usually assigned responsibility for establishing a perpetual inventory system.

3. A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any difference between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The inventory shall include verification of the existence, current use and condition, and continued need for the property.

III. **COMMON PROBLEMS:**

- Failure to adequately safeguard assets from foreclosure or non-compliance with loan terms.
- Failure to adequately safeguard property.
- Inventories are not prepared every two years.
- Adequate property records are not maintained.

IV. **DEPARTMENT'S ROLE:**

Department staff will review the grantee's loan servicing policies and property management procedures when monitoring open grant activities. The Department will also review requests for property disposition as discussed above, and provide technical assistance or recommendations for recordkeeping systems. (See Chapter 7 for recordkeeping checklists for these topic areas.)

V. **REFERENCES:**

State CDBG Regulations, Section 7118, provides uniform standards governing the utilization and disposition of property acquired in whole or in part with State CDBG funds. This section is essentially equivalent to 24 CFR 85.31-85.33 of the HUD common rule.

VI. SUPPORTING MATERIALS:

- 1. Sample Loan Servicing Policies 19-7
- 2. Sample Property Register 19-15

LOAN SERVICING POLICIES AND PROCEDURES FOR THE CITY/ COUNTY OF _____

The City/County of _____, here after called “Lender” has adopted these policies and procedures in order to preserve its financial interest in properties, who’s “Borrowers” have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan’s principle and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) required Rent Limitation Agreement and monitoring of investor properties; 5) loans with annual occupancy restrictions and certifications 6) required noticing and limitations on any changes in title or use of property; 7) required noticing and process for requesting a subordination during a refinance; 8) process of foreclosure in case of default on the loan.

1) Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under an Installment Note, which are amortized promissory notes, (or Lender will use _____ loan collection company to collect payments). Late fees will be charged for payments received after the assigned monthly date.

For Straight Notes, which are deferred payment loans; the Lender may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2) Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a second mortgage. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When a property is located in a 100 year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The lender may check the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3) Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4) Required Rent Limitation Agreement for Investor Properties:

All owner investor properties which receive loans from the Lender will be required to enter into a rent limitation agreement which restricts the tenants and the rents on the property for a fixed period of time, depending on the public funds used. The rent limitation agreement will be recorded on title of the property and non-compliance with this agreement can lead to foreclosure action by the Lender. The rent limitation agreement will be monitored annually to ensure that low or very low-income households occupy the assisted investor units and that the rents charged to those households is affordable. In some cases the units must be inspected annually to ensure that they are up to minimum health and safety standards. At the end of the designated affordability period, the Lender will release the Borrower from the rent limitation agreement.

5) Annual Occupancy Restrictions and Certifications:

On some owner occupant loans the Lender may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make

repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust.

6) Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to the Targeted Income Group (TIG) families.

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on family size and household income, provided the heir is in the TIG. If the heir intends to occupy the property and is non-TIG, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full. If the Borrower or new owner investor requests that the existing loan be assumed and agrees to the current Lender rates and terms for owner investor properties and the rent limitation agreement, then the outstanding balance may be refinanced, subject to the review and approval of the Lender's Loan Committee.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases,

Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the family still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

7) Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt pay offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the family with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance agency, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

8) Process for Loan Foreclosure:

Upon any condition of loan default: 1) non payment; 2) lack of insurance or property tax payment; 3) violation of rent limitation agreement; 4) change in title or use without approval; 5) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount, or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay

the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

9) Lender As Senior Lien holder:

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by

certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

OFFICIAL BUSINESS

Document entitled to free recording per *Government Code* § 6103

Recording Requested By
& When Recorded, Mail To:

CITY/COUNTY OF _____
FINANCE DEPARTMENT

STREET
_____, CA 95_____

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

REQUEST FOR NOTICE OF DEFAULT

In accordance with section 2924(b) of the Civil Code, request is hereby made that a copy of Notice of Default and a copy of any Notice of Sale under the deed of trust recorded _____, 200____, in Book/Reel _____, Page/Image_____, (or filed for record with recorder's document number _____) for the property located at _____.

Said deed of trust of Official Records of Solano County Recorder, Solano County, California, executed by _____ as trustor(s) in which _____ is named as beneficiary and _____ is named as Trustee, shall have the notice of default mailed to:

CITY/COUNTY OF _____
FINANCE DEPARTMENT

STREET
_____, CA 95_____

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

CITY/COUNTY OF _____
by: _____

Dated: _____, 200____

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 200____ before me, the undersigned Notary Public in and for said County and State, personally appeared _____ and _____, personally known to me, (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Public in and for said County and State **(Space for official notarial area)**

Recording Requested By
City/County of _____

When recorded mail to:

Housing Program

City/County of _____

_____ Blvd.

_____, CA 95____

This document is recorded on behalf of City/County of _____ and is exempt from recording fees pursuant to Government Codes 6103 and 27383

SUBSTITUTION OF TRUSTEE AND DEED OF RECONVEYANCE

WHEREAS, _____ TITLE INSURANCE COMPANY is the present Trustee of record under that certain Deed of Trust executed on the ____TH day of _____, _____, by _____ as Trustor(s), to _____ TITLE INSURANCE COMPANY as Trustee, recorded on the ____TH day of _____, _____, as Instrument no. _____ in Book/Reel NA at Page/Image NA, of Official Records in the Office of the County Recorder of _____ County, California;

AND WHEREAS, the undersigned, CITY/COUNTY OF _____ is the present holder of the beneficial interest under said Deed of Trust, and hereby appoints itself as Trustee in place and stead of said _____ TITLE INSURANCE COMPANY under said Deed of Trust;

AND WHEREAS, the indebtedness secured by said Deed of Trust has been fully paid and satisfied;

NOW THEREFORE, _____ CITY/COUNTY OF _____ as substituted Trustee under said Deed of Trust, does hereby reconvey to the parties entitled thereto all right, title and interest which was heretofore acquired under said Deed of Trust.

Dated this ____ day of _____, 20____. CITY/COUNTY OF _____
by: _____
as Substituted Trustee

State of California

County of _____

On _____ before me, the undersigned Notary Public,
personally

appeared _____, personally known to me (or proved to me

on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____:SIGNATURE

LOAN RE-PAYMENT DEMAND INFORMATION

This is to inform you that on _____ the City/County of _____ had a deed of trust recorded on the property commonly known as: _____, _____, **CA**. The deed of trust secured a promissory note with an interest rate of _____ percent (____%) annual simple interest. The daily rate of interest accrual is \$_____. The original principle amount of the loan was \$_____. Based on the above recordation date and the starting principle, as of today's date \$_____ in interest has accrued on the balance. Make a check payable to the City/County of _____ for principle and interest, approximately \$_____. The final interest calculation will be made at time of closing when recordation of the Request for Re-conveyance is completed. Have check directed to:

Attn.: Housing Programs

City/County of _____

_____ **Street**

_____, **CA 95** _____

PROPERTY REGISTER (CDBG)

Contract No. _____

Description	ID Number	Who Holds Title	Acquisition Date	Purchase Order # Check #	Source(s) of Funds	Cost		% of CDBG Participation	Location used		Condition		Disposition		
						Per Unit	Total		Date	Description	Date	Description	Date	Amount	Description